

**STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD**

IN RE:	:	
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REVIEW OF ELECTRIC INTERCONNECTION OF DISTRIBUTED GENERATION FACILITIES RULES [199 IAC CHAPTER 45]	: : : : :	DOCKET NO. RMU-2016-0003

**MIDAMERICAN ENERGY COMPANY’S STATEMENT OF POSITION REGARDING
THE PROPOSED REVISIONS OF 199 IAC CHAPTER 45 AND COMMENTS ON
PROPOSED FORMS AND PROCESSES**

MidAmerican Energy Company (“MidAmerican”) submits this Statement of Position in response to the Iowa Utilities Board (“Board”) Order Commencing Rule Making (“Rule Making Order”) issued July 22, 2016 and Order Requesting Stakeholder Comments on Proposed Forms and Processes (“Comments Order”) issued August 8, 2016 regarding the Board’s Electric Interconnection of Distributed Generation Facilities Rules.

INTRODUCTION

MidAmerican is a rate-regulated public utility providing electric and natural gas public utility service. MidAmerican provides electric public utility service at retail to approximately 752,000 electric customers and 733,000 natural gas customers in a 10,600-square mile area in Iowa, Illinois, South Dakota and Nebraska. As a rate-regulated electric public utility, MidAmerican’s retail rates are subject to the authority of the Board. MidAmerican also has (or will have) relationships with customers that are seeking to install private generation covered by the proposed rules in this docket. Accordingly, MidAmerican will be affected by any rules adopted by the Board in this rule making proceeding.

In its Rule Making Order, the Board explained it is conducting a comprehensive review of its administrative rules in accordance with Iowa Code § 17A.7(2). Rule Making Order at 1. The purpose of the Board's comprehensive review is to identify and update or eliminate rules that are outdated, redundant, inconsistent, or incompatible with statutes and other administrative rules. *Id.* This docket was initiated to review the Board's rules in 199 Iowa Administrative Code ("IAC") Chapter 45, Electric Interconnection of Distributed Generation Facilities Rules. Based on the Board's preliminary review, the Board is proposing amendments to certain provisions of Chapter 45, including addition of Pre-application Request and Supplemental Review processes. The Board invited interested parties to file comments on the proposed revisions and to propose other revisions to Chapter 45.

MidAmerican appreciates the opportunity to comment on the Board's proposed changes and supports most of the proposed changes, many of which were suggested by participants in the Board's Notice of Investigation docket on distributed generation resources, NOI-2014-0001. In addition to the comments below, MidAmerican incorporates its August 18, 2016 and September 2, 2016 comments to the proposed Chapter 15 amendments. *See*, Docket No. RMU-2016-0006. Several of MidAmerican's comments below seek to incorporate certain proposals originally made in the docket related to the Chapter 15 rules. Because of the interchange between the two rules, changes made in one chapter that are applicable in the other should be made in both chapters to ensure consistency between the rules. The remaining comments propose new definitions, identify confidentiality and safety concerns, and focus on preservation of administrative processes and procedures.

STATEMENT OF POSITION

1. Further Information is Needed Regarding the Proposed Removal of Pre-application Requests, Applications for Interconnection, Supplemental Review, Certificate of Completion, and Interconnection Agreements from the Board's Written Rules.

MidAmerican applauds the Board for taking a number of steps in this rule making to make the customer-facing interconnection application process more accessible and streamlined. Many of these changes will increase efficiency and cost-effectiveness of utility processes, which will ultimately benefit all customers. Stakeholders and the Board should ensure that the Board's procedural protections remain in place as processes are streamlined.

The particular efficiency measure at issue here is the Board's proposal to remove all application, agreement, and certificate appendices (the "Forms"¹) from Chapter 45.14 through 45.20, and to make them all solely available on the Board's website. *See* Comments Order, p. 1-

2. The proposed language at Chapter 45.4(1) states:

"Applicants shall follow the board approved processes and use the board approved interconnection request forms approved by the board and agreements that are provided on the board's Web site, <http://iub.iowa.gov>."

Rule Making Order, Notice of Intended Action, p. 16. Although this current rule making docket process allows for stakeholder comment on the Forms now, before they are placed on the Board's website, the future treatment of the Forms, particularly how they may be amended, is unclear. The removal of the Forms (and adoption of new Forms) from the written administrative code and placement on the website is a significant policy change that leads to a number of questions. For example, will the Forms be subject to later interpretation, rule making, waiver, or appeal? Can the Board unilaterally modify the language of the Forms at a later date? What are the "board-approved processes" referenced in the revised rule language? What is the legal

¹ The Board also proposes to include the new Pre-application Request and Supplemental Review processes solely on the Board's website. For ease of reference, these two documents are included in references to the "Forms."

significance of the Forms if a dispute arises over certain Form terms? Is there any legislative process required to review changes to the Forms?²

These questions are significant and need to be addressed before the Forms are removed from the rule. At the same time, MidAmerican understands and supports the desire to establish flexibility and faster process. This is particularly true here, where the Forms relate to a rapidly changing area of the customer-energy provider relationship. There is a balance between process and flexibility that must be investigated before the Board implements significant policy changes. The Board should open a separate rule making on this issue to ensure that all stakeholders focus on this policy change and identify ways to find the proper balance. The end result could be a situation where the Forms are located on the Board's website, but where many of the questions above (e.g., the process for adopting changes to the Forms) are outlined in the rule.

MidAmerican requests that the Board identify a process to address these questions. In the meantime, MidAmerican suggests the Forms should remain in the administrative code.

2. "Energy Storage Facility" Should be Separately Defined; "Distributed Generation Facility" Should Remain Unchanged and Also be Defined in Chapter 15. (Amended Rule 199 IAC 45.1).

A. "Energy Storage Facility" Should Have a Separate Definition.

Energy storage can create a safety issue for facility owners, emergency personnel, electrical contractors and utility personnel since it is capable of energizing a system similar to the way a generating facility would. To ensure safety, these facilities should be subject to similar interconnection rules as generation. *See*, MidAmerican December 1, 2015 Comments Regarding Interconnection Rules, pp. 3-4 (Docket No. NOI-2014-0001).

² These questions are not present if the Forms are included in the rule since the rule making process is a defined and well-known process.

MidAmerican has previously noted that energy storage is a separate and distinct technology from generation, and its definition will not fit squarely into the existing definition of distributed generation facility. *Id.* The proposed draft rule takes an important initial step by identifying energy storage as a technology, but fails to recognize that this technology is unique and should have a separate definition. MidAmerican encourages the Board to adopt a separate definition of “energy storage facility” to avoid any future conflicts with the current definitions, particularly as storage technology continues to evolve and improve. MidAmerican proposed the following as a separate definition in its November 6, 2015 comments in Docket No. NOI-2014-0001, and proposes the same today:

“Distributed energy storage facility” means a facility used by an interconnection customer to store energy, which can operate in parallel with the electric distribution system and inject energy onto the distribution system. A distributed energy storage facility generally consists of a battery to store energy and the interconnection equipment required to interconnect safely with the electric distribution system or local electric power system.

MidAmerican’s previous comments have also suggested further modification to Chapters 15 and 45 to incorporate both definitions (distributed generation facility and energy storage facility) into both chapters. *See* MidAmerican November 6, 2015 Comments Regarding Interconnection Rules, pp. 2-3 (Docket No. NOI-2014-0001). These changes are designed to increase safety, particularly as distributed energy storage facilities become more available. Given this, MidAmerican requests that the Board adopt a separate definition for “distributed energy storage facility” in Chapters 15 and 45 and apply the interconnection and safety rules to those facilities.

B. “Distributed Generation Facility” Original Definition

In Chapter 45.1(1), the Board proposes a definition of “Distributed Generation Facility.” *See* Rule Making Order, p. 4. However, the same definition is not proposed for Chapter 15. *See*, July 19, 2016 Order Requesting Stakeholder Comments on Potential Rule Changes, Notice of

Intended Action, p. 3 (Docket No. RMU-2016-0006). To have consistency between Chapters 15 and 45, and to adopt the energy storage facility definition proposed above, MidAmerican suggests that the Board retain the definition of distributed generation facility in Chapter 45, but also include the following definition in Chapter 15:

*“Distributed generation facility” means a qualifying facility or an AEP facility.”*³

3. MidAmerican Proposes Amendment to the Definition of “Disconnection Device” in 45.1(1) to Tailor the Requirement to Disconnection of Generation Systems. (Amended Rule 199 IAC 45.1).

MidAmerican proposes the same modifications to the definition of “disconnection device” as it is proposing in its September 2, 2016 Reply to Stakeholder Comments related to Chapter 15 (Docket No. RMU-2016-0006). This proposed revision is made primarily to include the definition of “energy storage facility” addressed above:

“‘Disconnection device’ means a lockable visual disconnect or other disconnection device, ~~such as, but not limited to, a service disconnect, gang operated main disconnect, or breaker~~ capable of isolating, disconnecting and de-energizing the residual voltage in a customer-sited distributed generation facility or distributed energy storage facility subject to the requirements of Chapters 15 and 45.”

4. MidAmerican Incorporates the Modified “Disconnection” Proposal from its September 2, 2016 Reply to Stakeholder Comments Related to Chapter 15. (Amended Rule 199 IAC 45.3(2)“f”).

As noted in its September 2, 2016 Reply to Stakeholder Comments, MidAmerican seeks to lessen the burden on interconnection customers by disconnecting the generation or storage facility until compliance is achieved, rather than disconnecting the customer altogether. MidAmerican proposes the following modification to section 45.3(2)“f”, which is identical to its proposed change to section 15.10(3)“f”:

³ 199 IAC 45.1 (476) (2016).

“f. If ~~An~~ interconnection customer ~~fail~~ing to comply with the foregoing requirements, the electric utility may require disconnection of the distributed generation facility or distributed energy storage facility until it complies with this chapter. ~~may be disconnected as provided in 199—Chapter 20.~~ The disconnection process details shall be provided in individual electric utility tariffs or the interconnection agreement. If separate disconnection of only the distributed generation facility or the distributed energy storage facility is not feasible or safe, the customer may be disconnected as provided in 199 IAC—Chapter 20.”⁴

5. MidAmerican’s Comments on the Board’s Pre-application Request Process.

MidAmerican appreciates the Board’s efforts to facilitate dialogue among stakeholders and utilize stakeholder input to create a Pre-application Request Process for customers. This voluntary tool will help customers make more informed and cost-effective decisions through the subsequent interconnection process. MidAmerican largely supports the proposed language detailing the Pre-application Request Process. As identified above, MidAmerican believes that, at this time, the pre-application process should be incorporated into the Board’s rules. To make this process more effective, MidAmerican suggests the following improvements and clarifications.

A. The Pre-application Request Process Project Example Should Be Broadened.

The Board’s proposed Pre-application Request Process description is excerpted below:

“Pre-application Request Process

The utility shall designate an employee or office from which information on the application process and on the affected system can be obtained through informal requests from the applicant presenting a proposed project for a specific site, which may include multiple proposed individual interconnections in close proximity and related to one project such as a residential or commercial development proposing roof-top solar on each premise...”

Comments Order, Pre-application Request Process, p. 1. The Board offers an applicable example within the Pre-application Request Process description:

⁴ This proposed revision also incorporates “distributed energy storage facility” and adds clarity to situations in which the interconnection customer’s generation cannot be disconnected from the customer’s electric system.

“...such as a residential or commercial development proposing roof-top solar on each premise.”

This example will help establish context for multi-interconnection applicants. MidAmerican suggests that supplementing the example will be even more useful, and could even spur other types of innovative interconnection projects. Therefore, MidAmerican suggests the following addition to the Board’s proposed Pre-application Request Process:

“The utility shall designate an employee or office from which information on the application process and on the affected system can be obtained through informal requests from the applicant presenting a proposed project for a specific site, which may include multiple proposed individual interconnections in close proximity and related to one project such as a residential or commercial development proposing roof-top solar on each premise or a multi-turbine wind project.”

B. Utility-Provided Pre-Application Report Information Should Protect Third-Party Customer-Specific Information.

In Section 2 of the proposed Pre-application Request Process, the Board has identified thirteen (13) sets of data, presumably⁵ for the utility to provide to the applicant, if available. *See* Comments Order, Pre-application Request Process, pp. 1-2 (Section 2, (a-m)). First, the Board should clarify in the Rule how it intends this data to be used. Provided the intended uses of this data are valid, MidAmerican could support providing this information to customers if it does not cause a significant administrative burden. Additionally, MidAmerican must retain discretion to withhold or restrict certain responsive information if it contains confidential or sensitive information. For instance, in a sparsely populated area, there may only be one or two customers on a particular circuit. If one customer files an interconnection pre-application request, some of the utility-provided information could be directly associated with the other, non-applicant

⁵ There is no header, clause or other direction to indicate how the data sets should be used. *See* Comments Order, Pre-application Request Process, p. 2 (Section 2 of the Pre-application Request Process makes no reference to the information in subparagraphs a-m.).

customer. This is information that should remain confidential. Therefore, MidAmerican must reserve the right to withhold data if it is confidential.

6. MidAmerican Supports the Board's Proposed Supplemental Review Process.

MidAmerican similarly appreciates the Board's efforts to facilitate dialogue among stakeholders and utilize stakeholder input to implement a Supplemental Review Process for interconnection customers. This process provides a more time- and cost-effective review process for customers and utilities alike. Previously, if customers could not satisfy the initial screens, utilities have often commenced a waiver proceeding on behalf of the individual customer. MidAmerican supports the proposed Supplemental Review Process proposed by the Board, which will be beneficial for customers, and reduce the need for individual waiver proceedings.⁶

WHEREFORE, MidAmerican Energy Company respectfully requests that the Board give these comments due consideration as it develops rules in this proceeding.

Dated this 2nd day of September, 2016.

Respectfully submitted,

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⁶ MidAmerican restates its process concerns addressed in Section 1 of these comments and requests that, at this time, the Pre-Application Request and Supplemental Review Processes be included in the rule.